

**Touche
Ross**

Deloitte Touche
Tohmatsu
International



Company Registration No. 499423

PARKERSELL LIMITED

Report and Financial Statements

31 December 1994

Touche Ross & Co.
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BE



**REPORT AND FINANCIAL STATEMENTS 1994****CONTENTS****Page****Officers and professional advisers****1****Directors' report****2****Auditors' report to the members****5****Consolidated profit and loss account****6****Consolidated balance sheet****7****Balance sheet****8****Statement of total recognised gains and losses****9****Notes to the accounts****10**



REPORT AND FINANCIAL STATEMENTS 1994

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D B Mathews (Chairman)
M L Hopkins (Managing Director)
D W Guthrie
T W Parker
D J Harrison
D Waterstone

SECRETARY

D W Guthrie

REGISTERED OFFICE

Parkersell House
Cranworth Road
Winchester
Hampshire
SO22 6SQ

BANKERS

National Westminster Bank Plc
21 Lombard Street
London
EC3P 3AR

AUDITORS

Touche Ross & Co.
Chartered Accountants
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BE

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 9 month period ended 31 December 1994.

REVIEW OF THE BUSINESS

The group's principal activity during the period continued to be the installation and maintenance of lighting and electrical equipment.

RESULTS AND DIVIDENDS

The group profit for the period after taxation amounted to £985,566 (31 March 1994: £1,348,680) and is dealt with as shown in the profit and loss account.

The directors propose a final dividend of 69.89 pence (31 March 1994: 95.66 pence) per share. The retained profit for the period has been transferred to reserves.

FUTURE PROSPECTS

The directors expect the group to continue trading profitably in the future.

FINANCIAL YEAR END

The company changed its financial year end from 31 March to 31 December during the period.

FIXED ASSETS

Movements in fixed assets during the period are shown in notes 11 and 12 to the accounts.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1.

Messrs D J Harrison and D W Guthrie are the directors retiring by rotation under article 89 and being eligible offer themselves for re-election.

No director had any interest in the share capital of the company or any group undertaking at 31 December 1994.

EMPLOYEE INVOLVEMENT

The group has for many years been fully committed to securing the full co-operation and involvement of its employees in the success of the business.

This is achieved by direct communication and consultation with all employees and with representatives, where appropriate, at the locations in which they work. Employees are regularly informed of the performance and progress of their company by briefing groups and are encouraged to maximise company performance by means of incentive schemes.

DISABLED EMPLOYEES

The group gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

**DIRECTORS' REPORT (continued)****AUDITORS**

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'D W Guthrie'.

D W Guthrie

Secretary

6 April 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Chartered Accountants

Touche Ross & Co.
Mountbatten House
1 Grosvenor Square
Southampton SO15 2BE

Telephone: National 01703 334124
International + 44 1703 334124
Fax (Gp. 3): 01703 330948

Parkersell Limited

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 21 which have been prepared under the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on these statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 1994 and of the profit of the group for the 9 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

TOUCHE ROSS & CO.

Chartered Accountants and Registered Auditors
6 April 1995


CONSOLIDATED PROFIT AND LOSS ACCOUNT
9 month period ended 31 December 1994

	Note	Continuing operations 9 months to 31 December 1994 £	Continuing operations 12 months to 31 March 1994 £
TURNOVER	2	32,988,947	34,762,618
Change in stocks and work in progress		892,746	1,037,005
		<u>33,881,693</u>	<u>35,799,623</u>
Raw materials and consumables		(14,063,522)	(13,971,433)
		<u>19,818,171</u>	<u>21,828,190</u>
Staff costs	5	(11,118,514)	(12,428,124)
Depreciation		(1,467,629)	(1,595,660)
Other operating costs		(5,956,411)	(6,028,475)
		<u>(18,542,554)</u>	<u>(20,052,259)</u>
OPERATING PROFIT	3	1,275,617	1,775,931
Profit on sale of fixed assets		352,705	234,783
		<u>1,628,322</u>	<u>2,010,714</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		1,628,322	2,010,714
Interest receivable	6	4,883	47,785
Interest payable	7	(91,374)	(35,216)
		<u>1,541,831</u>	<u>2,023,283</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,541,831	2,023,283
Tax on profit on ordinary activities	8	(556,265)	(674,603)
		<u>985,566</u>	<u>1,348,680</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		985,566	1,348,680
Minority interests		(7,097)	(9,373)
		<u>978,469</u>	<u>1,339,307</u>
PROFIT FOR THE FINANCIAL PERIOD	9	978,469	1,339,307
Dividends paid and proposed	10	(489,235)	(669,653)
		<u>489,234</u>	<u>669,654</u>
RETAINED PROFIT FOR THE FINANCIAL PERIOD	20	489,234	669,654


CONSOLIDATED BALANCE SHEET
31 December 1994

	Note	31 December 1994 £	31 March 1994 £
FIXED ASSETS			
Tangible assets	11	<u>5,172,606</u>	<u>3,797,717</u>
CURRENT ASSETS			
Stocks and work in progress	13	5,036,617	4,143,871
Debtors	14	10,181,661	9,297,611
Amounts due from group undertakings	15	67,952	207,666
Cash at bank and in hand		<u>383,565</u>	<u>584,614</u>
		15,669,795	14,233,762
CREDITORS: amounts falling due within one year	16	<u>(10,265,811)</u>	<u>(7,888,919)</u>
NET CURRENT ASSETS		<u>5,403,984</u>	<u>6,344,843</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,576,590	10,142,560
CREDITORS: amounts falling due after more than one year	17	(128,486)	(241,538)
PROVISION FOR LIABILITIES AND CHARGES	18	(28,368)	-
EQUITY MINORITY INTERESTS		<u>(181,733)</u>	<u>(174,636)</u>
TOTAL NET ASSETS		<u>10,238,003</u>	<u>9,726,386</u>
CAPITAL AND RESERVES			
Called up share capital	19	700,000	700,000
Share premium account	20	238	238
Other reserves	20	26,791	26,791
Profit and loss account	20	<u>9,510,974</u>	<u>8,999,357</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>10,238,003</u>	<u>9,726,386</u>

These financial statements were approved by the Board of Directors on 6 April 1995.

Signed on behalf of the Board of Directors

D B Mathews

Director

6 April 1995

M L Hopkins

Director

6 April 1995

BALANCE SHEET
31 December 1994

	Notes	31 December 1994 £	31 March 1994 £
FIXED ASSETS			
Tangible assets	11	439,329	463,991
Investments	12	5,940,958	2,940,958
		<u>6,380,287</u>	<u>3,404,949</u>
CURRENT ASSETS			
Debtors	14	130,896	40,805
Amounts due from group undertakings	15	1,321,749	991,542
		<u>1,452,645</u>	<u>1,032,347</u>
CREDITORS: amounts falling due within one year	16	<u>(4,268,797)</u>	<u>(3,764,092)</u>
NET CURRENT LIABILITIES		<u>(2,816,152)</u>	<u>(2,731,745)</u>
TOTAL NET ASSETS		<u><u>3,564,135</u></u>	<u><u>673,204</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	700,000	700,000
Share premium account	20	238	238
Other reserves	20	26,791	26,791
Profit and loss account	20	2,837,106	(53,825)
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u><u>3,564,135</u></u>	<u><u>673,204</u></u>

These financial statements were approved by the Board of Directors on 6 April 1995.

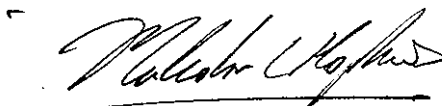
Signed on behalf of the Board of Directors



D B Mathews

Director

6 April 1995



M L Hopkins

Director

6 April 1995



STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
9 month period ended 31 December 1994

	9 months to 31 December 1994 £	12 months to 31 March 1994 £
Profit for the financial period	978,469	1,339,307
Currency translation differences on foreign currency net investments	22,383	(33,834)
Total recognised gains and losses for the period	<u>1,000,852</u>	<u>1,305,473</u>

**NOTES TO THE ACCOUNTS**
9 month period ended 31 December 1994**1. ACCOUNTING POLICIES****Basis of preparation**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold properties.

Basis of consolidation

The group accounts consolidate the accounts of Parkersell Limited and all its subsidiary undertakings drawn up for the 9 month period ending 31 December 1994 (comparatives: 12 months ended 31 March 1994). No profit and loss account is presented for Parkersell Limited as permitted by section 230 of the Companies Act 1985.

Cash flow statement

The company has taken advantage of the exemption contained in FRS1 not to publish its own cashflow statement as it is a wholly owned subsidiary of Energy and Technical Services Group plc and its cashflows are dealt with in the consolidated cashflows of that company.

Goodwill

Depending on the circumstances of each acquisition, purchased goodwill is either written off directly against reserves or amortised through the profit and loss account over the directors' estimate of its useful life.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% per annum
Short leasehold improvements	10% per annum
Plant and equipment	20% per annum
Computer and office equipment	10% to 33 1/3% per annum
Private vehicles	25% to 33 1/3% per annum
Commercial vehicles	25% to 40% per annum

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Market research

Expenditure on market research is written off in the period in which it is incurred.



NOTES TO THE ACCOUNTS

9 month period ended 31 December 1994

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Foreign currencies

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Group

The accounts of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising on the retranslation of the opening net assets are taken directly to retained profits. All other translation differences are taken to the profit and loss account.

Hire purchase commitments

Assets held under hire purchase contracts are capitalised at their fair value on the inception of leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Pension

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme operated by the group in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Investments

Investments are stated at cost less provision for permanent diminution in value.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax.

The turnover and pre-tax profit are attributable to one activity, the installation and maintenance of lighting and electrical equipment.

Group turnover by geographical location was as follows:

	Turnover		Operating profit	
	9 months to 31 December 1994 £	12 months to 31 March 1994 £	9 months to 31 December 1994 £	12 months to 31 March 1994 £
United Kingdom	27,558,424	28,743,725	1,502,627	1,744,485
Rest of Europe	5,430,523	6,018,893	125,695	266,229
	<u>32,988,947</u>	<u>34,762,618</u>	<u>1,628,322</u>	<u>2,010,714</u>

NOTES TO THE ACCOUNTS
9 month period ended 31 December 1994

3. OPERATING PROFIT

	9 months to 31 December 1994 £	12 months to 31 March 1994 £
Operating profit is after charging:		
Auditors' remunerations		
Audit fees	24,000	42,284
Other services	5,500	1,650
Hire of plant and machinery	367,813	232,424
Leasehold property rents	728,308	622,443

4. DIRECTORS' REMUNERATION

	9 months to 31 December 1994 £	12 months to 31 March 1994 £
Emoluments (including pension contributions)	248,185	239,511
Emoluments (excluding pension contributions) of the chairman	82,325	27,329
Emoluments (excluding pension contributions) of the highest paid director	82,325	87,197
Scale of directors' remuneration (excluding pension contributions)	No.	No.
£Nil - £ 5,000	1	1
£10,001 - £15,000	2	-
£20,001 - £25,000	-	1
£25,001 - £30,000	-	2
£45,001 - £50,000	1	-
£55,001 - £60,000	-	1
£70,001 - £75,000	1	-
£80,001 - £85,000	1	1



NOTES TO THE ACCOUNTS

9 month period ended 31 December 1994

5. STAFF COSTS

	9 months to 31 December 1994 £	12 months to 31 March 1994 £
Wages and salaries	9,718,810	10,852,694
Social security costs	1,181,256	1,327,675
Other pension costs	218,448	247,755
	<u>11,118,514</u>	<u>12,428,124</u>

The average weekly number of employees during the period, including directors, was as follows:

	No.	No.
Management	71	74
Sales	53	54
Administration	185	185
Operations	590	568
	<u>899</u>	<u>881</u>

6. INTEREST RECEIVABLE

	9 months to 31 December 1994 £	12 months to 31 March 1994 £
Parent company	-	26,546
Bank interest	4,883	21,239
	<u>4,883</u>	<u>47,785</u>

7. INTEREST PAYABLE

	9 months to 31 December 1994 £	12 months to 31 March 1994 £
Bank loans and overdrafts wholly repayable within five years	3,365	21,702
Finance charges payable under hire purchase contracts	17,071	13,514
Parent company	70,938	-
	<u>91,374</u>	<u>35,216</u>

NOTES TO THE ACCOUNTS
9 month period ended 31 December 1994
8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	9 months to 31 December 1994	12 months to 31 March 1994
	£	£
United Kingdom corporation tax at 33% (31 March 1994: 33%) based on profit for the period	486,408	582,500
Over provision in previous years - Corporation tax	(6,282)	(16,303)
Deferred taxation	28,368	-
Overseas taxation	47,771	108,406
	<u>556,265</u>	<u>674,603</u>

9. PROFIT FOR THE FINANCIAL PERIOD

The profit, before dividends paid, dealt with in the accounts of the parent company was £3,380,166 (31 March 1994: £569,975).

10. DIVIDENDS

	9 months to 31 December 1994	12 months to 31 March 1994
	£	£
Final proposed - 69.89pence (31 March 1994: 95.66 pence) per ordinary share	<u>489,235</u>	<u>669,653</u>

11. TANGIBLE FIXED ASSETS

Group	Freehold properties £	Short leasehold improve- ments £	Plant and machinery £	Computer and office equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 April 1994	536,964	291,442	870,781	1,110,880	5,107,902	7,917,969
Exchange adjustments	1,595	296	1,345	2,550	6,731	12,517
Additions	2,801	73,270	259,788	173,258	2,410,290	2,919,407
Disposals	-	(2,417)	(29,198)	(17,150)	(1,417,900)	(1,466,665)
At 31 December 1994	<u>541,360</u>	<u>362,591</u>	<u>1,102,716</u>	<u>1,269,538</u>	<u>6,107,023</u>	<u>9,383,228</u>
Depreciation						
At 1 April 1994	75,961	107,847	492,947	789,315	2,654,182	4,120,252
Exchange adjustments	205	257	3,159	(670)	3,546	6,497
Charge for the year	7,483	30,539	129,250	127,781	1,172,576	1,467,629
Disposals	-	(706)	(10,662)	(15,626)	(1,356,762)	(1,383,756)
At 31 December 1994	<u>83,649</u>	<u>137,937</u>	<u>614,694</u>	<u>900,800</u>	<u>2,473,542</u>	<u>4,210,622</u>
Net book value						
At 31 December 1994	<u>457,711</u>	<u>224,654</u>	<u>488,022</u>	<u>368,738</u>	<u>3,633,481</u>	<u>5,172,606</u>
At 31 March 1994	<u>461,003</u>	<u>183,595</u>	<u>377,834</u>	<u>321,565</u>	<u>2,453,720</u>	<u>3,797,717</u>



NOTES TO THE ACCOUNTS
9 month period ended 31 December 1994

11. TANGIBLE FIXED ASSETS (continued)

The net book value of vehicles above includes an amount of £327,726 (31 March 1994: £298,532) in respect of vehicles held under hire purchase contracts.

Company	Freehold properties £	Computer and office equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 1994	463,182	34,013	80,522	577,717
Additions	-	7,694	-	7,694
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	463,182	41,707	80,522	585,411
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 1994	66,406	25,793	21,527	113,726
Charge for the period	6,310	5,917	20,129	32,356
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	72,716	31,710	41,656	146,082
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 December 1994	390,466	9,997	38,866	439,329
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1994	396,776	8,220	58,995	463,991
	<hr/>	<hr/>	<hr/>	<hr/>

The cost or valuation of freehold property at the beginning and end of the financial period comprises:

	Group £	Company £
At cost	487,610	409,432
At valuation	53,750	53,750
	<hr/>	<hr/>
	541,360	463,182
	<hr/>	<hr/>

Freehold property was revalued in 1973 on an open market value basis. Depreciation provided has been based on the revalued amount and additions at cost. In the opinion of the directors the difference between book value at cost and the revalued amount is not material.


NOTES TO THE ACCOUNTS
9 month period ended 31 December 1994
12. FIXED ASSET INVESTMENTS

Company	Subsidiary undertakings £	Other £	Total £
Cost			
At 1 April 1994	2,940,958	6,922	2,947,880
Additions	3,000,000	-	3,000,000
	<hr/>	<hr/>	<hr/>
At 31 December 1994	5,940,958	6,922	5,947,880
	<hr/>	<hr/>	<hr/>
Provision for diminution in value			
At 1 April 1994 and 31 December 1994	-	6,922	6,922
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 1994	5,940,958	-	5,940,958
	<hr/>	<hr/>	<hr/>
At 31 March 1994	2,940,958	-	2,940,958
	<hr/>	<hr/>	<hr/>

The subsidiary undertakings at 31 December 1994 were:

Company	Country of incorporation or registration	Proportion of ordinary shares held
Parkersell (Lighting & Electrical) Services Ltd	England	100%
Parkersell Lighting Services (Ireland) Ltd	Ireland	100%
Power and Data Installations Ltd	England	100%
Parkersell GmbH	Germany	100%
Parkersell SA	France	60.4%
Parkersell International (Lighting Services) Ltd	England	100%
Parkersell Highway Lighting Services Ltd	England	100%
Forecourt Services Ltd	England	100%

All subsidiary undertakings install and maintain lighting and electrical equipment or associated services.

NOTES TO THE ACCOUNTS
9 month period ended 31 December 1994
13. STOCKS AND WORK IN PROGRESS

Group	31 December 1994 £	31 March 1994 £
Raw materials and finished goods for resale	3,713,231	3,132,127
Work in progress	1,323,386	1,011,744
	<u>5,036,617</u>	<u>4,143,871</u>

14. DEBTORS

	Group		Company	
	31 December 1994 £	31 March 1994 £	31 December 1994 £	31 March 1994 £
Trade debtors	9,776,166	8,920,861	-	-
Group relief receivable	-	-	125,000	39,000
Other debtors	90,142	174,456	5,000	1,805
Prepayments and accrued income	315,353	202,294	896	-
	<u>10,181,661</u>	<u>9,297,611</u>	<u>130,896</u>	<u>40,805</u>

All debtors are due within one year.

15. GROUP UNDERTAKINGS

Amounts due from:

	Group		Company	
	31 December 1994 £	31 March 1994 £	31 December 1994 £	31 March 1994 £
Subsidiary undertakings	-	-	1,321,749	991,542
Fellow subsidiary undertakings	67,952	207,666	-	-
	<u>67,952</u>	<u>207,666</u>	<u>1,321,749</u>	<u>991,542</u>


NOTES TO THE ACCOUNTS
9 month period ended 31 December 1994
16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 December	31 March	31 December	31 March
	1994	1994	1994	1994
	£	£	£	£
Bank loans and overdrafts - secured	3,568,844	765,402	2,947,187	218,439
Obligations under hire purchase contracts	124,696	98,640	-	-
Trade creditors	2,392,672	2,534,215	-	-
Amounts due to subsidiary undertakings	-	-	441,540	1,841,990
Amounts due to parent undertaking	33,605	910,320	33,605	910,320
Current corporation tax	485,089	601,902	-	-
Overseas taxation	16,075	26,561	-	-
Other taxes and social security costs	1,391,486	967,963	17,294	16,158
Other creditors	842,600	640,909	207,413	-
Accruals and deferred income	921,509	673,354	132,523	107,532
Proposed dividend	489,235	669,653	489,235	669,653
	<u>10,265,811</u>	<u>7,888,919</u>	<u>4,268,797</u>	<u>3,764,092</u>

The bank loans and overdrafts are secured by a debenture over the assets of the company and by a cross guarantee between Parkersell Group companies.

Obligations under hire purchase contracts are secured by the related assets.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	Group
	31 December	31 March
	1994	1994
	£	£
Obligations under hire purchase contracts expiring in two to five years	128,486	137,940
Overseas taxation	-	103,598
	<u>128,486</u>	<u>241,538</u>
Instalments payable:		
within one year	140,769	114,458
within 2 - 5 years	135,528	146,834
	<u>276,297</u>	<u>261,292</u>
Future interest	(23,115)	(24,712)
	<u>253,182</u>	<u>236,580</u>
Capital disclosed as:		
due within one year	124,696	98,640
due after one year	128,486	137,940
	<u>253,182</u>	<u>236,580</u>



NOTES TO THE ACCOUNTS
9 month period ended 31 December 1994

18. PROVISION FOR LIABILITIES AND CHARGES

	Group 31 December 1994 £	Group 31 March 1994 £
Deferred taxation	28,368	-
Deferred taxation provided in the accounts is as follows:		
Capital allowances in excess of depreciation	53,118	-
Short term timing differences	(24,750)	-
	28,368	-

19. SHARE CAPITAL

	31 December 1994 £	31 March 1994 £
Authorised:		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid:		
700,000 ordinary shares of £1 each	700,000	700,000

20. RESERVES

Group	Share premium £	Other reserves £	Profit and loss account £
Balance at 1 April 1994	238	26,791	8,999,357
Retained profit for the financial period	-	-	489,234
Exchange differences on retranslation	-	-	22,383
Balance at 31 December 1994	238	26,791	9,510,974
Company			
Balance at 1 April 1994	238	26,791	(53,825)
Profit for the financial period	-	-	2,890,931
Balance at 31 December 1994	238	26,791	2,837,106

The cumulative amount of goodwill written off at 31 December 1994 was £278,993.



NOTES TO THE ACCOUNTS

9 month period ended 31 December 1994

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	31 December 1994	31 March 1994	31 December 1994	31 March 1994
Profit for the financial period	978,469	1,339,307	3,380,166	569,975
Dividends paid	(489,235)	(669,653)	(489,235)	(669,653)
	<u>489,234</u>	<u>669,654</u>	<u>2,890,931</u>	<u>(99,678)</u>
Other recognised gains and losses relating to the period	22,383	(33,834)	-	-
Total movements	<u>511,617</u>	<u>635,820</u>	<u>2,890,931</u>	<u>(99,678)</u>
Opening shareholders' funds	<u>9,726,386</u>	<u>9,090,566</u>	<u>673,204</u>	<u>772,882</u>
Closing shareholders' funds	<u><u>10,238,003</u></u>	<u><u>9,726,386</u></u>	<u><u>3,564,135</u></u>	<u><u>673,204</u></u>

22. FINANCIAL COMMITMENTS

Authorised future capital expenditure amounted to:

	Group		Company	
	31 December 1994	31 March 1994	31 December 1994	31 March 1994
	£	£	£	£
Contracted for but not provided	<u>52,335</u>	<u>39,112</u>	<u>-</u>	<u>-</u>

Commitments under non-cancellable operating leases are as follows:

Group	31 December 1994		31 March 1994	
	Land and buildings £	Plant and machinery £	Land and buildings £	Plant and machinery £
Operating leases which expire:				
within one year	58,466	-	101,688	-
between two and five years	287,286	-	225,751	-
over five years	<u>425,714</u>	<u>-</u>	<u>337,404</u>	<u>-</u>
	<u><u>771,466</u></u>	<u><u>-</u></u>	<u><u>664,843</u></u>	<u><u>-</u></u>

**NOTES TO THE ACCOUNTS****9 month period ended 31 December 1994****23. PENSION COMMITMENTS**

The group operates a defined benefit pension scheme which is funded by the payment of contributions to a separately administered trust fund. The assets of the scheme are held separately from that of the group.

The contributions to the scheme are determined with the advice of independent qualified actuaries using the aggregate method of valuation. The most recent valuation was conducted at 1 May 1991, using the following main assumptions:

Rate of return on investments	8.5% per annum
Rate of salary increases	7% per annum
No increase in pensions.	

The valuation showed that the market value of the scheme's assets at that date amounted to £1,556,000. The level of funding, being the actuarial value of assets expressed as a percentage of the benefits accrued to members on an ongoing basis, was 107%. The total cost of retirement benefits for the group was £218,448 (31 March 1994: £217,532)

24. CONTINGENT LIABILITIES**Company**

On 10 January 1994 the group entered into an agreement with its parent company Energy and Technical Services Group plc and fellow subsidiary undertakings. A cross guarantee exists between all parties to the agreement whereby each company has guaranteed the bank current accounts of the others. The Energy and Technical Services Group plc has an unsecured overdraft facility of £5 million.

Parkersell Limited has issued guarantees in favour of:

Bayerische Hypotheken and Wechsel Bank DM 250,000

Barclays Bank SA, Lyon FFR1,100,000

Group and company

At year end the Group has issued general performance bonds to various customers amounting to £120,116.

Parkersell Limited has issued a guarantee in favour of HM Customs & Excise in the sum of £10,000.

The company is registered with HM Customs & Excise as a member of a group for VAT purposes and, as a result, is jointly and severally liable on a continuing basis for amounts owing by other members of that group in respect of unpaid VAT.

25. ULTIMATE PARENT UNDERTAKING

The parent undertaking is Energy and Technical Services Group plc, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent undertaking is Compagnie Generale des Eaux, a company incorporated in France. These are the smallest and largest undertakings for which group accounts are drawn up. Copies of the group accounts are available from:

Energy and Technical Services Group plc
8 Headfort Place
London
SW1X 7BH

Compagnie Generale des Eaux
52 Rue d'Anjou
75384 Paris
France